

## Message Text

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17

ACTION NEA-09

INFO OCT-01 ISO-00 EB-07 /017 W  
----- 063215

R 080728Z MAY 75  
FM AMEMBASSY KUWAIT  
TO USDOC WASHDC  
INFO AMEMBASSY ABU DHABI  
SECSTATE WASHDC 2934  
AMEMBASSY BEIRUT  
AMEMBASSY DOHA  
AMEMBASSY JIDDA  
AMEMBASSY MANAMA  
AMEMBASSY MUSCAT  
AMEMBASSY TEHRAN

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E.O. 11652: N/A

TAGS: ECRE, BEXP, KU

SUBJECT: U.S. FIRM LIKELY TO BE AWARDED \$75 MILLION HOSPITAL  
CONSTRUCTION CONTRACT

REF: A) KUWAIT 1043 B) KUWAIT 0103 C) KUWAIT 3093 (1974)

1. EMBOFF INFORMED BY SENIOR ENGINEER MINISTRY OF PUBLIC WORKS  
THAT LOWEST BIDDER FOR CONSTRUCTION AND EQUIPPING 540 BED  
FAHAHEEL HOSPITAL TO SERVE SOUTH KUWAIT IS PERINI CORP. OF BOSTON.  
ACCORDING SOURCE, PERINI AND ONLY ONE OTHER CONSTRUCTION COMPANY  
SUBMITTED OFFERS (SIXTEEN FIRMS WERE PREQUALIFIED BUT ONLY ONE  
OTHER ELIGIBLE FIRM WAS U.S.). PERINI BID OF \$75 MILLION WAS  
LOWEST. BUDGET FOR PROJECT LAST FISCAL YEAR WHICH ENDED  
APRIL 1 WAS APPROXIMATELY KD16 MILLION (\$50 MILLION). HOWEVER,  
SOURCE TOLD EMBOFF MINISTRY RECOGNIZES THAT INFLATION HAS PUSHED  
UP COSTS AND CLAIMED MINISTRY WAS LIKELY TO GIVE PERINI OFFER  
SERIOUS CONSIDERATION. THE MINISTER, IN FACT, IS NOW GATHERING  
FURTHER INFORMATION ABOUT PERINI'S QUALIFICATIONS. SHOULD BE  
NOTED THAT PERINI'S LOCAL AGENT IS SAUD ABDULRAZZAK, FATHER OF  
THE MINISTRY UNDERSECRETARY WHO REALLY RUNS DAY TO DAY OPERA-  
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TIONS OF MPW.

2. COMMENT: IF PERINI WINS THIS CONTRACT IT WILL BE THE FIRST MAJOR CONSTRUCTION CONTRACT AWARDED TO U.S. FIRM BY MPW IN RECENT MEMORY. MOREOVER, MUBARAK AL-KABIR HOSPITAL WHICH ALMOST AN EXACT DUPLICATE FAHAHEEL WILL SOON BE TENDERED, AND PERINI COULD HOPE TO HAVE INSIDE TRACK ON THIS ONE AS WELL SINCE PRESUMABLY THERE WOULD BE GREAT SAVINGS IN HAVING PERSONNEL AND EQUIPMENT ALREADY IN KUWAIT. MPW IS TOUGH MINISTRY AND WE EXPECT THEM TO TRY TO SQUEEZE PERINI ON PRICE REGARDLESS OF INFLUENCE THEIR AGENT. NEVERTHELESS, UNLESS NATIONAL ASSEMBLY BALKS AT FUNDING HIGHER COST (AND POSTPONING CONSTRUCTION BADLY NEEDED AND POLITICALLY SENSITIVE HOSPITAL PROJECT), WE WOULD GIVE PERINI A VERY GOOD CHANCE TO WALK AWAY WITH THIS ONE AFTER SOME HARD BARGAINING.

MAU

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, HOSPITALS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Film Number:** D750161-0681  
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**Image Path:**  
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**Status:** NATIVE  
**Subject:** U.S. FIRM LIKELY TO BE AWARDED \$75 MILLION HOSPITAL CONSTRUCTION CONTRACT  
**TAGS:** ECRE, BEXP, KU, PERINI CORP  
**To:** COM  
**Type:** TE  
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